

Peter Hartung

From: Martinez, Hugo Federico [hugo.f.martinez@delphi.com]
Sent: Monday, May 11, 2009 11:55 AM
To: Peter Hartung
Cc: Randazzo, Robert J
Subject: Delphi Die Cast Demolition
Attachments: Delphi response to OSC Jan 2008 Letter.doc

Peter,

Please find attached the Delphi response letter in regards to Ontario Specialty Contracting proposal dated January 12, 2009 for the Delphi Rochester Die Cast demolition project reference Delphi purchase order 450751581.

Please contact me if you have any comments in this regard.

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5/18/2009

DELPHI

Powertrain Systems
Gas Engine Management Systems

May 11, 2009

Peter M. Hartung Jr., P.E.
Sr. Project Manager
Ontario Specialty Contracting

RE: DIE CAST DEMOLITION

Dear Peter,

We have reviewed your letter/proposal dated January 12, 2009.

While Delphi certainly acknowledges that the scrap market has experienced a drastic and rapid decline we, like Ontario Specialty Contracting, cannot predict future values or when a market recovery may occur. As a result, we are willing to assist OSC with the following:

1. We agree to revise the completion date from December 15, 2008 to November 30, 2009 to allow time for scrap market conditions (scrap values) to improve. No extensions beyond this date will be granted. Recyclable scrap material left after this date will be owned by Delphi. We will allow OSC to store prepared scrap metals onsite provided the following conditions are met:
 - a. Prepared scrap metals will be maintained in a neat, orderly fashion either within the project site footprint or, in the empty north parking lot currently used by OSC for project staging. Delphi will not be responsible for materials stored in the parking lot.
 - b. Bi-monthly meetings between OSC, on-site Delphi and, Delphi Purchasing Representatives will be held to review market outlook, scrap values and, scrap quantities from the demolition. Actual weights of scrap material removed from the job site will be compared to quantities used by OSC for development of their Delphi accepted project bid. Obviously a greater quantity of metal to be reclaimed would reduce the financial impact of reduced market values on the project. Both parties will agree on a standard index to be used to determine current scrap values.
 - c. No third party (i.e; City of Rochester, DEC, etc) requires, orders or otherwise requests action that the site be cleared/cleaned to expedite project completion prior to November 30, 2010.

2. Because Delphi itself is experiencing great financial difficulty, as a result of being in Chapter 11 since 2005 and due to current economic conditions, it is impossible for Delphi to commit any payments to Ontario Special Contracting.
3. Changes to payments due to Delphi for additional work will be deducted from payments owed to Delphi as outlined below:

\$271,033.00	Total payments due to Delphi per original contract
- \$ 67,758.25	1 of 4 payments received
- \$ 42,000.00	Additional Asbestos Abatement
- \$ 7,315.00	Additional Utilities Work
+ \$ 5,197.50	Third Party Air Monitoring for Asbestos Abatement
+ \$ 28,000.00	100 GT @\$280 per GT Scrap Die Cast Molds
<u>\$ 187,657.25</u>	Balance Due to Delphi

4. Milestone dates for two equal payments to Delphi for the balance due will be established. One payment will be on June 30, 2009 and the second on November 30, 2009. Scrap market values, materials sold and, project financials up to each date will be reviewed.

Sincerely,

Hugo Martinez